

Water and Sewer Operating Fund
For the period ended July 31, 2003
(amounts expressed in thousands)

	Preliminary FY2003 CAFR	Adopted Budget	Current Budget	FY2004 YTD	Controller's Projection	F&A Projection
Operating Revenues						
Water Sales	\$ 267,514	\$ 275,057	\$ 275,057	\$ 25,304	\$ 275,057	\$ 275,057
Sewer Sales	264,104	272,618	272,618	24,805	272,618	272,618
Penalties	4,036	3,741	3,741	458	3,741	3,741
Other	3,975	2,758	2,758	429	2,758	2,758
Total Operating Revenues	<u>539,629</u>	<u>554,174</u>	<u>554,174</u>	<u>50,996</u>	<u>554,174</u>	<u>554,174</u>
Operating Expenses						
Personnel	107,129	116,360	116,360	10,251	116,360	116,360
Supplies	24,319	24,508	24,508	1,204	24,508	24,508
Sale of Inventory (Intrafund)	0	0	0	0	0	0
Service Contracts & Utilities	109,169	124,091	124,091	1,019	124,091	124,091
Uncollectibles	0	1,000	1,000	0	1,000	1,000
Total Operating Expenses	<u>240,617</u>	<u>265,959</u>	<u>265,959</u>	<u>12,474</u>	<u>265,959</u>	<u>265,959</u>
Operating Income (Loss)	<u>299,012</u>	<u>288,215</u>	<u>288,215</u>	<u>38,522</u>	<u>288,215</u>	<u>288,215</u>
Nonoperating Revenues (Expenses)						
Interest Income	19,297	14,653	14,653	1,179	14,653	14,653
Sale of Property, Mains and Scrap	1,294	1,464	1,464	50	1,464	1,464
Other	8,611	20,118	20,118	39	20,118	20,118
CWA & TRA Contracts (P & I)	<u>(30,934)</u>	<u>(32,701)</u>	<u>(32,701)</u>	<u>(4,075)</u>	<u>(32,701)</u>	<u>(32,701)</u>
Total Nonoperating Rev (Exp)	<u>(1,732)</u>	<u>3,534</u>	<u>3,534</u>	<u>(2,807)</u>	<u>3,534</u>	<u>3,534</u>
Income (Loss) Before Operating Transfers	<u>297,280</u>	<u>291,749</u>	<u>291,749</u>	<u>35,715</u>	<u>291,749</u>	<u>291,749</u>
Operating Transfers						
Debt Service Principal	50,335	67,488	67,488	4,544	67,488	67,488
Debt Service Interest	155,344	150,854	150,854	17,884	150,854	150,854
Discretionary Debt	23,811	30,021	30,021	266	30,021	30,021
Equipment Acquisition	14,976	16,688	16,688	1,391	16,688	16,688
Renewal and Replacement*	0	26,698	26,698	0	26,698	26,698
Accumulated Unexpended (ALP)	10,000	0	0	0	0	0
Transfer for Street and Drainage	25,462	0	0	0	0	0
Total Operating Transfers	<u>279,928</u>	<u>291,749</u>	<u>291,749</u>	<u>24,085</u>	<u>291,749</u>	<u>291,749</u>
Net Current Activity						
Operating Fund Only	\$ <u>17,352</u>	\$ <u>0</u>	\$ <u>0</u>	\$ <u>11,630</u>	\$ <u>0</u>	\$ <u>0</u>

*Please refer to Page 31 for the current status of the Renewal and Replacement Fund No. 751.

About the Fund:

Public Utilities - Water and Sewer is an enterprise fund which accounts for operation of the City's water and wastewater facilities. The fund provides for the operation of the City's treated and untreated water, as well as, receive and process wastewater generated in a service area that includes the City, certain municipalities and unincorporated communities in the Houston metropolitan area. Some of the City's largest customers are other cities and water authorities which supply water to their own customers.